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FORM 10Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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APR 10 1992
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(Mark One)

X Quarterly report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the quarterly period ended January 31, 1992

___ Transition report pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number 2-97045 X 0-14443 X

WASTE TECHNOLOGY CORP.
(Exact Name of Registrant as Specified in its Charter)

Delaware	13-2842053
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
2 Lincoln Avenue Rockville Centre, New York	11570
(Address of Principal Executive Offices)	(Zip Code)

(516) 536-1890
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _____

At March 15, 1992, Registrant had outstanding 2,239,529 shares of its Common Stock.

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WASTE TECHNOLOGY CORP.

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WASTE TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	January 31, 1992 Unaudited	October 31, 1991
ASSETS		
Current Assets		
Cash and cash equivalents	$ 300,397	$ 335,607
Marketable securities (Note 2)	2,476	6,297
Accounts Receivable	2,094,244	1,822,134
Costs & estimated earnings in excess of billings on uncompleted contacts (Note 1)	491,754	178,667
Notes receivable-officer & director	12,000	12,000
Inventories (Notes 1 and 4)	1,798,242	1,452,999
Prepaid expenses & sundry current assets	61,882	90,362
Total current assets	4,760,995	3,898,066
Other investments:		
Investment in TPST Tech ologies	50,000	50,000
	50,000	50,000
Property, plant & equipment-at cost (Notes 1 & 6)	2,388,745	2,364,726
Less accumulated depreciation and amortization	743,493	688,849
	1,645,252	1,675,877
Other assets:		
Loans to joint venture	168,602	148,602
Non-competition covenants	173,593	193,954
Goodwill less amortization	321,178	325,404
Other intangible & sundry assets, net	129,852	37,485
Deferred underwriting expenses	205,044	134,524
Notes receivable-officer & director	1,513,454	1,430,901
	3,511,723	2,270,870
Total assets	$ 9,967,970	$7,894,813

The accompanying notes are an integral part of the financial statements.

WASTE TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	January 31; 1992 Unaudited	October 31, 1991
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Loans payable - Banks	$ 885,000	$ 850,000
Accounts payable	1,902,046	923,119
Billing in excess of costs & estimated earnings on uncompleted contracts	48,779	8,475
Accrued liabilities	553,894	652,213
Accrued taxes payable	153,564	49,676
Customer deposits	34,167	44,499
Notes payable - officers & others	173,500	171,500
Current maturities of long-term debt	190,671	152,351
Total current liabilities	3,941,621	2,851,833
Long term debt	307,917	386,609
Minority interest in equity of subsidiary	476,903	460,894
Stockholders' equity		
Common Stock, par value $.01, 25,000,000 shares authorized 2,275,587 issued and outstanding in 1992 and 1991	22,756	22,756
Preferred stock, par value $.0001, 10,000,000 shares authorized none issued		
Additional paid-in capital	5,564,145	5,564,145
Retained earnings	(1,017,137)	(1,069,765)
	4,549,764	4,517,136
Less: Treasury stock (36,058 shares at January 31, 1992 and 34,658 shares at October 31, 1991 at cost)	78,235	71,659
Less: Investment in U.S. Environmental, Inc.	250,000	250,000
Total stockholders' equity	4,241,529	4,195,477
Total liabilities and stockholders' equity	$8,967,970	$7,894,813

The accompanying notes are an integral part of the financial statements.

WASTE TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

	Three months Ended January 31,	
	1992	1991
Net sales	$2,213,532	$1,484,904
Cost of sales	1,451,180	918,179
Gross Profit	762,352	566,725
Operating expenses:		
Selling	186,944	147,749
General and Administrative	561,595	401,295
	748,539	549,044
Operating Income	13,813	17,681
Other income (expenses):		
Interest and Dividends	27,998	39,760
Net unrealized gain on current marketable securities	-0-	66,303
Net realized gain on sale of marketable securities	5,345	440
Commissions & Sundry Income	44,367	12,360
Settlement of litigation	-0-	(95,000)
Interest expense	(11,261)	(941)
	66,449	22,922
Minority interest in income of consolidated subsidiary	16,009	17,995
Income before income taxes and extraordinary item	64,253	22,608
Income taxes	33,471	18,175
Income (loss) before extraordinary item	30,782	4,433
Extraordinary item - tax benefit from utilization of net operating loss carryforward	21,846	(12,000)
Net income	52,628	$ 16,433
Earnings per share:		
Income before extraordinary item	$ .01	$ .004
Extraordinary item	.01	.004
Net income	$ .02	$ .008
Average number of shares outstanding	2,240,229	2,161,863

The accompanying notes are an integral part of the financial statements.

HMSTE TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	COMMON STOCK, PAR VALUE $ 0.01, AUTHORIZED 20,000,000 SHARES		ADDITIONAL PAID-IN CAPITAL (RESTATED)	(RESTATED) DEFICIT DURING DEVELOPMENT STAGE (RESTATED)	RETAINED EARNINGS	TREASURY STOCK		TOTAL STOCKHOLDERS' EQUITY (RESTATED)
	SHARES ISSUED	PAR VALUE				NUMBER OF SHARES	COST	
BALANCE AT OCTOBER 31, 1988, RESTATED (SEE FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 10/31/91)	6,381,810	$ 63,818	$ 4,088,760	$ (2,932,297)	$ 174,726			$ 2,142,014
COMMON SHARES ISSUED TO EMPLOYEES PROFIT SHARING TRUST	1,520,000	15,200	150,000					165,000
SHARES ISSUED TO SHAREHOLDERS OF B.W. ENERGY SYSTEMS, INC.	14,494	146	(146)					0
(LOSS) INCOME					(19,129)			(19,129)
EFFECT OF 1:4 REVERSE STOCK SPLIT EFFECTIVE 11/13/91	(9,922,390)	(99,224)	99,224		729,128			729,128
								0
BALANCE AT OCTOBER 31, 1989	1,974,113	$ 19,740	$ 5,044,844	$ (2,932,297)	$ 870,721			$ 3,011,010
EXERCISE OF OPTIONS			8,650					8,650
COMMON SHARES ISSUED TO PRESIDENT PURSUANT TO BOARD OF DIRECTORS APPROVAL	150,000	1,500	16,500					18,000
COMMON SHARES ISSUED TO U.S. ENVIRONMENTAL, INC.	800,000	8,000						8,000
EXCESS OF PAR VALUE OF U.S. ENVIRONMENTAL, INC. COMMON STOCK RECEIVED OVER PAR VALUE OF COMPANY COMMON SHARES ISSUED IN EXCHANGE			245,000					245,000
SHARES ISSUED TO SHAREHOLDER OF B.W. ENERGY SYSTEMS, INC.	1,000	10	(10)					0
COMMON SHARES ISSUED ON PURCHASE OF SOLID WASTE AND RECOVERY SYSTEMS, INC.	100,000	1,000	49,000					50,000
PURCHASE OF TREASURY STOCK						86,791	(45,137)	(45,137)
NET INCOME					666,719			666,719
EFFECT OF 1:4 REVERSE STOCK SPLIT EFFECTIVE 11/13/91	(563,250)	(5,632)	5,632			(66,044)		0
BALANCE AT OCTOBER 31, 1990	2,161,863	$ 21,618	$ 5,369,810	$ (2,932,297)	$ 1,545,440	21,689	(45,137)	$ 3,969,442
TO RECLASSIFY ACCUMULATED DEFICIT DURING DEVELOPMENTAL STAGE				2,932,297	(2,932,297)			
TREATMENT OF INVESTMENT IN U. S. ENVIRONMENTAL, INC. AS A REDUCTION IN EQUITY				$ 0	$ (1,386,857)			
PURCHASE OF TREASURY STOCK								(250,000)
COMMON SHARES ISSUED ON PURCHASE OF BPM INDUSTRIAL COATINGS, INC. AND EAGLE TANK, INC.	451,896	4,519	190,196			51,900	(26,522)	(26,522)
COMMON SHARES ISSUED TO B. PATH	9,000	90	720					194,715
NET INCOME					317,092			810
EFFECT OF 1:4 REVERSE STOCK SPLIT EFFECTIVE 11/13/91	(341,172)	(3,411)	3,411			(38,925)		317,092
								0
BALANCE AT OCTOBER 31, 1991	2,279,587	$ 22,786	$ 5,564,148	$ 0	$ (1,069,765)	34,664	(71,659)	$ 4,198,477
PURCHASE OF TREASURY STOCK						1,400	(6,576)	(6,576)
NET INCOME					92,620			92,620
BALANCE AT JANUARY 31, 1992 (Unaudited)	2,279,587	$ 22,786	$ 5,564,148	$ 0	$ (1,017,137)	36,064	(78,235)	$ 4,241,529

WASTE TECHNOLOGY CORP. AND SUBSIDIAR ES
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three Months Ended January 31, 1992 and 1991
(Unaudited)

	1992	1991
Cash flows from operating activities:		
Net income	$ 52,628	$ 16,433
Adjustments to reconcile net income to net cash provided by operating activities:		
Items not requiring (providing) cash included in income:		
Unrealized (gain) in marketable securities	-0-	(66,303)
Depreciation and amortization	58,036	48,046
Minority interest in (income) loss of subsidiary	16,009	17,995
Changes in operating assets and liabilities:		
(Increase)/decrease in accounts receivable	(272,110)	364,299
(Increase)/decrease in inventories	(345,243)	(230,315)
(Increase)/decrease in prepaid expenses and sundry current assets	(489,651)	(64,214)
(Increase)/decrease in other assets	(78,352)	(187,601)
Increase/(decrease) in accounts payable	978,927	244,316
Increase/(decrease) in accrued liabilities & other current liabilities	86,193	75,423
Increase/(decrease) in customer deposits	(10,332)	(356,679)
Total adjustments	100,181	(155,033)
Net cash (used in) operating activities	152,809	(138,600)
Cash flows from investing activities:		
Additions to property & equipment	(24,019)	(22,042)
(Decrease)/Increase in marketable securities	3,821	(143,579)
Other investments	-0-	(344,372)
Net cash (used in) investing activities	20,198	(509,993)
Cash flows from financing activities:		
(Increase) decrease in officer loans	(82,553)	(62,438)
Increase (decrease) in long-term liabilities	(78,692)	(12,557)

Purchase of treasury stock	(6,576)	(40,265)
Cash flows provided by (used in) financing activities	(167,821)	(115,260)
Net (decrease) in cash	(35,210)	(763,853)
Cash and cash equivalents at beginning of period	335,607	986,863
Cash and cash equivalents at end of period	$ 300,397	$ 223,010
Supplemental schedule of disclosure of cash flow information		
Cash paid during period for:		
Interest	$ 10,951	$ 941
Income taxes	-0-	24,295

The accompanying notes are an integral part of the financial statements.

WASTE TECHNOLOGY CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ACCOUNTING POLICIES

Principles of Consolidation
The accompanying consolidated financial statements include the accounts of the Company and all of its wholly owned and majority owned subsidiaries. Intercompany balances and material intercompany transactions have been eliminated in consolidation.

Minority Interest
The Company owned 83.7% of the outstanding shares of the subsidiary International Baler Corp. at January 31, 1992. The parent company theory has been applied in the presentation of the minority interest. Under the parent company theory, minority interest is separately stated as a liability on the consolidated balance sheet at an amount equal to the minority ownership percentage of the book value of the subsidiary's net assets. The minority interest in the consolidated income statement is equal to the minority ownership percentage of the subsidiary's realized net income or loss.

Inventories
Inventories of the subsidiaries are stated at the lower of cost or market. Cost is determined by the first-in, first-out method. (See Note 4)

Percentage-of-Completion Method
Two subsidiaries, Ram Coating Technology Corp. and Eagle Tank Technology, Inc., use the percentage-of-completion method of accounting which recognizes income as work on a contract progresses. The amount recognized in a period is based upon the percentage calculated on the basis of the relationship of costs incurred to date to estimated total costs at completion. Under this method, the balance sheet includes as current assets the amount of costs and estimated earnings in excess of billings on uncompleted contracts. Current liabilities include billings in excess of costs and estimated earnings on uncompleted contracts.

Depreciation
The cost of property, plant and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight line method for financial reporting and accelerated ACRS and MACRS method for income tax purposes. There is no material timing difference affecting the income statement or balance sheet and therefore no deferred tax credits or charges have been accrued. (See Note 6)

Cash and Equivalents
Cash and equivalents includes cash in bank, money market funds and cash on hand.

Goodwill
Goodwill in the amount of $84,389 less accumulated amortization of $6,329 represents the excess of the cost of acquiring net assets of Solid Waste and Recovery Systems, Inc. over the fair value of the net assets acquired (using the purchase method) at date of acquisition in 1990, and is being amortized on the straight-line method over a period of 20 years.

Goodwill in the amount of $253,688 less accumulated amortization of $10,570 represents the excess of the value of stock issued in acquiring net assets of RAM Industrial Coatings, Inc. and Eagle Tank, Inc. over the fair value of its net assets acquired (using the purchase method) at date of acquisition April 2, 1991, and is being amortized on the straight-line method over a period of 20 years.

Unamortized Non-Competition Covenant
The Company, on November 1, 1990, paid $200,000 to the owners of Ram Industrial Coatings, Inc. as consideration for their agreement to refrain from competing with the Company or any affiliates for a period of two years after the termination of their employment agreements. This payment is being amortized on a straight-line basis over the term of the employment agreement plus two years. The amount of amortization charged to operations for the three months ended January 31, 1992 and 1991 was $2,873 and $10,000, respectively.

Patents
Patents and patent rights are being amortized over a 17-year period using the straight-line method, and are carried at cost, less accumulated amortization. Amortization charged to operations for the three months ended January 31, 1992 and 1991 was $519 in each period.

NOTE 2 - MARKETABLE SECURITIES

At January 31, 1992 and October 31, 1991, the aggregate market value of current marketable securities exceeded their aggregate cost by $252 and $85,652 respectively, resulting in an unrealized gain of $85,652 in the income statement for October 31, 1991. Current marketable securities had a cost of $2,980 at January 31, 1992.

NOTE 3 - LOAN AND NOTES RECEIVABLE - OFFICER AND DIRECTOR

The Company has advanced $218,464 to Leslie N. Erber as at January 31, 1992, which is repayable $1,000 monthly with the balance payable October 31, 1992. The loan is non-interest bearing and the principal loan balances was $165,909 at October 31, 1991. The Company has historically extended the due date on this loan and therefore it is classified as a non-current asset to the extent of the projected balloon payment.

On April 12, 1990, four individuals, including Leslie N. Erber, Chairman of the Board and President of the Company and Morton S. Robson, Secretary and Director of the Company entered into an agreement with a group of dissident shareholders to purchase an aggregate of 294,182 shares at a purchase price of $4.00 per share. Leslie N. Erber and Morton S. Robson each purchased 134,591 shares of common stock and the other two individuals purchased an aggregate of 25,000 shares.

On July 15, 1991 the purchase of shares was finalized by the payment to the selling shareholders of the balance of the purchase price plus accrued interest. The financing of the transaction was paid with funds borrowed from the Company with the unanimous approval of the Company's Board of Directors. The four individuals executed promissory notes in favor of the Company payable in three annual installments due July 15, 1992-1994 plus accrued interest from July 15, 1991 at the rate of 9% per annum. The debt is secured by a lien on the 294,182 shares of the Company's common stock and a personal guarantee of each borrower to the extent of their loan, the guarantee of Robson & Miller, to the extent of Mr. Robson's loan and Mr. Erber delivered to the Company 156,000 of his shares of the Company's common stock as additional collateral for his and Mr. Robson's loans. The following represents an analysis of the notes receivable and accrued interest at January 31, 1992:

	7/15/91 New Note Principal	01/31/92 Accrued Interest	Total Note
Leslie N. Erber	$ 569,292	$ 27,753	$ 597,045
Morton S. Robson	569,292	27,753	597,045
Howard Bodner	52,872	2,578	55,450
Jordan Erber	52,872	2,578	55,450
	$1,244,328	$ 60,662	$1,304,990

The Company expects that a primary source for repayment of the above notes will be from the sale of the collateralized shares of the Company stock. In the event that the Company must foreclose on the collateral, stockholders equity will be diminished to the extent of the fair market value of stock at the time of foreclosure.

NOTE 4 - INVENTORIES

Inventories consisted of:

	January 31,	
	1992	1991
Finished products	$ 295,222	$ 221,133
Work in process	315,884	175,781
Raw materials	1,187,136	876,964
	$1,798,242	$1,273,878

NOTE 5 - OTHER INVESTMENTS

Real Estate Venture

In December 1990, the Company formed a wholly-owned subsidiary, Waste Tech Real Estate Corp. ("WT Real Estate"), for the purpose of having that corporation enter into a joint venture with a non-affiliated company, Rock-Tech Realty Corp. ("RT"), to purchase a parcel of land in Far Rockaway, Queens, New York and to build residential single family homes on the property. RT had previously entered into a contract to purchase the property for $625,000, $50,000 being paid on the execution of the contract and the balance to be paid $200,000 on closing and $375,000 by a purchase money mortgage to the seller. RT has assigned the contract to the joint venture.

WT Real Estate has a twenty-one (21%) percent interest in the profits and losses of the joint venture. As of January 31, 1992, the Company had committed to fund up to $175,000 for its share of loans and loaned the sum of $135,252 to the joint venture on behalf of WT Real Estate. Management states that it does not believe that it will be required to advance funds in excess of such commitment. WT Real Estate has a mortgage lien on the property as security for all sums it advances to the joint venture except that mortgage shall be subordinated to any purchase money mortgage or construction loan mortgage. The Company is to receive interest @10% per annum. As at October 31, 1991, no construction has commenced, but architectural fees and filing fees have been paid. As at March 31, 1992, accrued interest in the amount of $13,350 is included in the total of $168,602, shown on the balance sheet as loans to joint venture.

U.S. Environmental

In March 1990, the Company entered into an agreement with U.S. Environmental, Inc. ("U.S.E.") whereby the Company acquired 500,000 shares of the common stock of U.S.E. which is publicly traded in the Over-The-Counter market in exchange for 125,000 shares of the Company's common stock. U.S.E. is an environmental services company which has a world-wide license of a process developed by Geotech Development Corporation which is designed to convert hazardous solid waste such as incinerator ash and asbestos into inert, non-toxic materials usable by and saleable to industrial, commercial and public-sector customers. The agreement provides that in the event that, for any reason, a plant capable of converting asbestos into an inert, non-toxic substance at the rate of 50 tons per day is not operating at 75% of capacity within two (2) years from the date of the agreement, the Company, shall have the right, at its option, to reacquire the shares it transferred to U.S.E. pursuant to the agreement. The agreement further provides that each party to the agreement grants to management of the other party an irrevocable proxy to vote the shares so transferred for a period of five (5) years. The Company intends to exercise its put to reacquire the shares from U.S.E. Therefore, for financial statement purposes, the Company is treating its investment as a reduction of stockholders' equity in the amount of $250,000.

TPST Technologies

On 12/31/90, the Company purchased a one-unit interest in a limited partnership called TPST Technologies for $50,000. The total capitalization of this partnership is $2,500,000, which results in a 2% ownership interest per unit. Each unit consists of 500 shares of TPST Soil Recyclers of South Carolina and 2,000 warrants of Thermo Process Systems, Inc. which expires on 12/21/95.

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

The following is a summary of property, plant and equipment - at cost, less accumulated depreciation:

	January 31, 1992	October 31, 1991
Land	$ 135,000	$ 135,000
Buildings and improvements	$ 740,069	$ 674,494
Leasehold improvements	$ 132,495	$ 164,713
Machinery and equipment	$1,017,397	$1,018,066
Furniture and fixtures	$ 164,779	$ 164,828
Vehicles	$ 199,005	$ 207,625
	2,388,745	2,364,726
Less: accumulated depreciation	743,493	688,849
	$1,645,252	$1,675,877

Depreciation expense charged to operations was $54,644 in 1992 and $36,472 in 1991 respectively.

NOTE 7 - INCOME TAXES

The Company files federal consolidated tax returns with its subsidiaries and has an unused consolidated net operating loss carryforward of $1,100,000 at October 31, 1991 and $1,535,500 at October 31, 1990. Waste Technology Corp. also has a separate year net operating loss carryforward in the amount of $234,000. International Baler Corporation has separate year general business credit and research credit carryforwards. The separate year carryforwards are attributable to tax periods prior to filing as members of a consolidated group.

Income tax expense in 1992 and 1991 contains a charge in lieu of federal income taxes that would have been required to be paid had the Company not been able to utilize operating loss carryforwards. The tax benefit resulting from such utilization is reflected as an extraordinary item in 1992 and 1991, respectively.

NOTE 8 - CONTINGENT LIABILITIES AND COMMITMENTS

In 1987, Litigation was commenced against the Company, its president and secretary in Marion County, Florida. This litigation was settled by the Company releasing its lien on equipment located at the Marion County landfill and a payment of $95,000.

Operations at the landfill site were stopped and the Company paid $1,900,000 to M&T Bank in satisfaction of its guarantee of a loan made by the bank to the equipment manufacturer, GGC, Inc. As a result of the payment of that loan by the Company, it became subrogated to the claim of the M&T Bank against GGC and received all of M&T Bank's interest in the collateral pledged by GGC as security for the loan including claims against the limited partners of Urban Waste Disposal Associates. It is the opinion of counsel that there is a valid claim against GGC on the note and loan agreement because GGC failed to manufacture a completed system as it had promised and the guarantee by the Company was made in reliance upon GGC's representation that the system would be completed. In the opinion of counsel, it is more probable than not that a judgment in favor of the Company will ultimately be recovered.

In addition to its rights against GGC and Urban Waste Disposal Associates, the Company has a claim against Ocala Waste Disposal and its limited partners on a note in the amount of $2,214,000 executed by Ocala Associates to GGC and guaranteed by the limited partners of Ocala. As a result of the Company's payment of that loan it has the right to collect the note and enforce the guarantees. In the opinion of counsel it is more probable than not that a judgment in favor of the Company will ultimately be recovered on this claim and that the value of the aforementioned claims is at least $1,000,000 in the aggregate. The Company does not recognize any carrying value in the balance sheet with regard to this claim receivable.

The Company is also a defendant in the following actions:

Waste Technology Corp. Litigation

(i) Spada

On September 15, 1986, an action was commenced against the Company, Leslie N. Erber, the President, Morton S. Robson, the Secretary, Alan Morrison, a Director, Pericles Constantinou, the Company's former President, and certain former directors in the Supreme Court of the State of New York by Joseph Spada, Joseph Parziale and Marie Parziale as Administratrix of the Estate of Vincent Parziale. Plaintiffs, the holders of 10% of the stock of B.W. Energy Systems East, Inc. ("BW"), an inactive subsidiary, a majority of the stock of which is owned by the Company, allege that they are entitled to 10% of any income earned by the Company from the sales of a pyrolysis system for installation at a landfill site in Marion County, Florida. They also claim that they have been damaged by the Company's omission to mention an agreement with them in its prospectus in 1985 and seek damages of approximately $18,500,000 and punitive damages of $60,000,000.

Counsel is of the opinion that this action has little merit, stating that the agreement relied upon by Plaintiffs related to a different system from the one sold, and secondly, that the system was never completed by the purchaser and has been abandoned and the Company never earned any money by virtue of the sale. It is the Company's position that this claim is without merit.

Plaintiffs have taken no action for more than one (1) year in this matter, which is still in the pre-trial discovery stage.

(ii) Hilde Basch Fremont

The Company, its President and Urban Waste Disposal, Inc., the President of which was Leslie N. Erber, as well as, GGC, Inc. and other nonaffiliates are defendants in an action commenced on October 25, 1988 in the United States District for the Southern District of New York by limited partners of a partnership which purchased a pyrolysis system marketed by the Company as agent for GGC, Inc., a

California corporation. The Plaintiffs claim that there were misrepresentations in the offering memorandum pursuant to which they purchased their limited partnership interests for an aggregate of $1,800,000. The Company states that it had no involvement with the offering memorandum or the limited partnership other than as set forth above. The amended complaint in the action consists of four counts, only one of which names the Company or its President. That count, which is asserted against all of the defendants including the Company and its President, alleges RICO violations and seeks treble damages for unspecified compensatory damages, as well as punitive damages and attorney's fees. Subsequently, the Plaintiffs settled their claims against GCC for $1,500,000, and management believes that this will substantially reduce the amount of damages that the Company may suffer, if any, in this action.

The Company and Counsel believe that the RICO claim asserted against it is without merit and has filed a motion to dismiss this claim since there is no relationship between the Company and the limited partnership interests purchased by the plaintiffs. It is the Company's position that it played absolutely no role in the sale of those securities, which are the only securities identified in the amended complaint. This motion has been fully briefed and is now pending before the Court.

(iii) Spier

The Company, Leslie N. Erber, Morton S. Robson, Pericles Constantinou (the Company's former President), Orval Gould (the principal of GGC, Inc.) and others, are defendants in an action commenced on March 10, 1989 by William Spier and others, in the United States District Court, Southern District, New York. The plaintiffs are partners in a partnership which purchased certain equipment from the Company for use at the landfill in Marion County, Florida. The President of the Company was the general partner of the partnership. The Company, which was merely acting as an agent, had purchased the equipment from GGC., Inc. The complaint consists of five causes of action, only three of which are asserted against the Company, its President and its Secretary. The complaint alleges numerous misrepresentations in, and omissions of material facts from, the offering memorandum pursuant to which they purchased their partnership interests; asserts that the Company was a controlling person of that partnership; and seeks rescission of plaintiffs' purchase of limited partnership interests and the return of their $1,000,000 aggregate capital contribution, together with interest from 1983

and attorneys' fees. The Company and Counsel believe that the claims asserted against it are without merit and that even if the allegations of the complaint were true, the plaintiffs have no recourse, as a matter of law, against the Company since the Company did not have anything to do with the preparation of the offering memorandum or the sale of interests in that limited partnership.

The Company has filed a cross-claim against GGC, Inc. and others in this action to recover its claim receivable of approximately $2,500,000, which the Company has not valued for purposes of its balance sheet.

Counsel to the Company in the above mentioned three (3) actions is Robson & Miller, and Morton S. Robson, the Secretary and a Director in the Company is the senior partner of Robson & Miller. Mr. Robson is also a substantial stockholder in the Company. Conflicts of interest may arise as the result of Mr. Robson's relationship with the Company.

(iv) Wade G. Davis

In November, 1987, Marine Midland Bank ("Marine") commenced an action against Wade G. Davis, II, entitled Marine Midland v. Wade G. Davis, in the Superior Court of California, County of Los Angeles (Case No. 199346), and alleged that Davis was in default in payment of a past due promissory note in the amount of $340,000 in connection with a loan procured by Davis for the purchase of a limited partnership interest. Mr. Davis denied liability and alleged that he never did procure such loan and never purchased a partnership interest.

On January 5, 1988, Davis cross-claimed against Marine, Leslie N. Erber, Urban Waste Disposal Associates of Marion County, the Company and 25 unnamed defendants, and sought indemnification from any liability he might suffer as the result of the claim made by Marine in the main action, $5,000,000 in punitive damages and attorney's fees. Mr. Davis alleged that although his agreement to purchase certain limited partnership interests was voided, his down payment returned to him, and his application for a $320,000 loan from Marine Bank for the balance of such capital contribution was rejected by Marine, Marine is suing him for the amount of such loan. He further alleged that Mr. Erber and one of his affiliated entities obtained the proceeds from such loan.

Management believes that the claim against the Company is frivolous. Mr. Erber categorically denies the allegations of the cross-claimant. Counsel to the Company refrains from expressing a judgment as to the outcome of this litigation, but states that no inference should be drawn from the absence of such judgment that the Company will not prevail in the litigation.

A motion to dismiss the proceeding for lack of prosecution by Marine has been made by the Court per se, and such motion is still pending.

(v) Cavagnaro v. Waste Tech

In November 1991 an action was commenced by George Cavagnaro, the estate of Nicholas J. Cavagnaro, Jr. and Pauline Cavagnaro against the Company in the Supreme Court of the State of New York, New York County (Index No. 64128/91). Plaintiffs have alleged that the Company breached a non-competition agreement by the failure to make payments as required therein. Plaintiffs are seeking damages of approximately $230,000, together with interest and costs and disbursements of the action.

The Company has filed an answer to the complaint asserting numerous affirmative defenses, and has asserted counterclaims which it believes are meritorious.

International Baler Corp. Litigation (IBC)

(i) Burkett

On January 25, 1991 plaintiff Danny Burkett commenced an action for unspecified damages in the Circuit Court, 11th Judicial Circuit, Dade County, Florida, and alleged that he suffered personal injuries as a result of a defective baler manufactured by IBC. This action is being defended by Lexington Insurance Co., and the policy limit is $1,000,000 with a $50,000 deductible. The insurer has expressed the opinion that the deductible will be exhausted and that it cannot state for certain whether the claim would exceed the policy limits. A provision for settlement loss to the extent of the policy deductible, $50,000, has been provided for in the financial statements.

(ii) Tibe

IBC is a third party defendant in an action brought by Tibe Shredding Services, Inc. v. The McMackin Corporation and Charles River Recycling, brought in Norfolk Superior Court in Massachusetts in 1989, alleging extensive undocumented damages from late delivery of two baling machines purchased from Charles River which had purchased them from IBC. Charles River seeks indemnification from IBC for any such damages. Counsel to IBC states that there is no written or implied indemnification agreement and that there is strong evidence that IBC was not in breach of any agreement with Charles River. Counsel further states that it is not in a position to estimate the amount or range of potential loss.

(iii) Nunez

In 1985, Manuel Nunez filed an action against IBC.in the Superior Court of the State of California, County of Los Angeles, Case No. NW-05667. Nunez claims he was injured as a result of IBC's negligence and improper design in connection with IBC's manufacturing of a paper packing machine. The claim is being defended by IBC's insurance carrier. The policy has a $500,000 limit, with a $10,000 deductible.

The insurance carrier's counsel states that no evaluation or determination has been made regarding liability. Counsel indicates further that the file has been inactive.

(iv) Santos

IBC is a defendant in an action brought by Robert Santos, an employee of Pepsi Cola in Brooklyn, New York who was injured by a baler manufactured by IBC. Santos had taken the baler apart and replaced the door retarder improperly, revising the functions of the door mechanism. The action is being defended by IBC's insurance carrier. The policy has a $500,000 limit with a $10,000 deductible with regard to bodily injury and property damage.

The insurance carrier's counsel states that the above-captioned lawsuit remains pending with settlement anticipated in the near future. Defense counsel assesses liability with regard to IBC at approximately 50%. Settlement value of this matter has been placed within the range of $50,000 to $75,000. Currently, the insurance carrier maintains a reserve of $60,000, and views this as adequate. It anticipates that the deductible will apply. This has been provided for in the financial statements.

(v) Flynn

Plaintiff Edward Flynn has filed a claim against IBC for an injury which occurred because of the use of a baler machine. Currently, the insurance carrier, Lexington Insurance Company, has established a reserve of $7,500 and referred the matter to an adjuster for further investigation, but cannot elaborate on the extent of injuries until receiving information from the adjuster. A $50,000 deductible would apply.

(vi) Bunnel

This action was also referred by Lexington Insurance Company to adjusters for further investigation. At this time, the insurance carrier has very little information to provide.

Consolidated Baling Machine Co., Inc. Litigation (CBM)

Ancrum

On July 2, 1991 plaintiff Adrian Ancrum commenced an action in the Supreme Court, Kings County, New York, against CBM and an entity identified as Wastetech, Inc. seeking $3,000,000. Plaintiff has alleged personal injuries suffered as the result of a defective baler sold by the corporation from which CBM acquired its assets. Consolidated has denied liability on the grounds that it neither manufactured nor sold the baler which allegedly caused the injuries. No insurance coverage exists for this claim. A motion to dismiss for lack of jurisdiction is pending. Counsel to CBM is of the opinion that the liability of CBM to the plaintiff is remote.

NOTE 9 - RELATED PARTY TRANSACTIONS

International Baler Corporation, Consolidated Baling Machine Co., Inc., Solid Waste and Recovery Systems, Inc., Waste Tech Real Estate Corp., Waste Technology Leasing, Consolidated Baler Sales and Service, Inc., RAM Coating Technology Corp. and Eagle Tank Technology Corp. are subsidiaries of Waste Technology Corporation. The parent company owns 83.7% of the common stock of the International Baler Corporation and 100% of the outstanding common stock of all other subsidiaries.

In December of 1990, the Company formed two wholly owned subsidiaries, Waste Tech Real Estate Corp. and Consolidated Baler Sales and Service, Inc.

Waste Tech Real Estate Corp. was formed for the purpose of having that corporation enter into a joint venture with a non-affiliated company, Rock-Tech Realty Corp., to purchase a parcel of land in Far Rockaway, Queens, New York and to build residential single family homes on that property.

Consolidated Baler Sales and Service, Inc. was formed for the purpose of conducting business in the New York City area, selling baling equipment on behalf of International Baler Corp., and Consolidated Baling Machine Company, and providing parts and services to new customers and for existing owners of balers sold by these companies and other manufacturers.

In April of 1991, the Company formed two wholly-owned subsidiaries, RAM Coating Technology Corp. and Eagle Tank Services, Inc. These subsidiaries acquired the assets and selected liabilities of RAM Industrial Coatings, Inc. and Eagle Tank Services, Inc.

NOTE 10 - EARNINGS PER SHARE

Earnings per share amounts are computed based on the weighted average number of shares actually outstanding. The number of shares used in computation were 2,240,229 in 1992 and 2,161,863 in 1991.

NOTE 11 - STOCKHOLDERS' EQUITY

On November 13, 1991, pursuant to the one for four (1:4) reverse stock split of the common stock of the Company, an amount equal to the par value of the common shares reversion was transferred from the common stock account to additional paid-in capital. This transfer has been reflected in the consolidated statement of stockholders' equity for the year ended October 31, 1991. All references to number of shares, except shares authorized, and to per-share information in the consolidated financial statements have been adjusted to reflect the reverse stock split on a retroactive basis.

NOTE 12 - LETTER OF INTENT

The Company has received a letter of intent dated June 12, 1991, as amended on December 17, 1991, from Lew Lieberbaum & Co., Inc. for a public offering of the Company's Common Stock and Warrants, to raise gross proceeds of $4,000,000, together with an over-allotment option to raise an additional $600,000, on a "firm commitment" basis. The Company has also agreed to retain Lew Lieberbaum & Co., Inc. as a financial consultant for a period of two (2) years in return for payments of $3,000 per month for such two (2) year period.

NOTE 13 - UNAUDITED FINANCIAL STATEMENTS

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended January 31, 1992 are not necessarily indicative of the results that may be expected for the year ended October 31, 1992. For further information, refer to the consolida ted financial statements and footnotes thereto contained herein.

ITEM 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

Financial Condition

Working capital decreased $226,859 for the three months ended January 31, 1992, from $1,046,233 to $819,374. The primary causes for the decrease were significant expenditures made in connection with the year-end audit and preparation for the upcoming securities offering, combined with a reorganization of operations at the subsidiary RAM Coating Technology, Inc. These expenditures are believed by Management to be of a non-recurring nature.

Results of Operations

Consolidated sales increased $728,628, or 49%, for the three months ended January 31, 1992, compared to the same period in 1991. The primary cause of this increase was the inclusion in the 1992 figures of the subsidiaries RAM Coating Technology, Inc., and Eagle Tank Technology, Inc., which were acquired during the second quarter of 1991. The sales of these two subsidiaries in the current quarter totaled $621,777. Gross profit for the first quarter of 1992 was 34.4%, down from 38.1% for the same period in 1991. The primary cause of this decrease was narrower margins in the new subsidiaries than has historically been the case for the baler divisions.

Operating expenses increased $199,495, or 36.3%, for the three months ended January 31, 1992, compared to the same period in 1991. Overhead of the subsidiaries acquired in the second quarter of 1991 primarily accounted for this increase.

The Company showed higher commissions and sundry income for the three months ended January 31, 1992, compared to the same period in 1991, primarily due to higher sales and resultant commissions from the Solid Waste and Recovery Systems subsidiary.

Earnings per share for the three months ended January 31, 1992 were $.02 per share, compared with $.008 per share for the same period in 1991.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

(ii) Hilde Basch Fremont

The Company, its President and Urban Waste Disposal, Inc., the President of which was Leslie N. Erber, as well as, GGC, Inc. and other nonaffiliates are defendants in an action commenced on October 25, 1988 in the United States District for the Southern District of New York by limited partners of a partnership which purchased a pyrolysis system marketed by the Company as agent for GGC, Inc., a California corporation. The Plaintiffs claim that there were misrepresentations in the offering memorandum pursuant to which they purchased their limited partnership interests for an aggregate of $1,800,000. The Company states that it had no involvement with the offering memorandum or the limited partnership other than as set forth above. The amended complaint in the action consists of four counts, only one of which names the Company or its President. That count, which is asserted against all of the defendants including the Company and its President, alleges RICO violations and seeks treble damages for unspecified compensatory damages, as well as punitive damages and attorney's fees. Subsequently, the Plaintiffs settled their claims against GCC for $1,500,000, and management believes that this will substantially reduce the amount of damages that the Company may suffer, if any, in this action.

The Company and Counsel believe that the RICO claim asserted against it is without merit and has filed a motion to dismiss this claim since there is no relationship between the Company and the limited partnership interests purchased by the plaintiffs. It is the Company's position that it played absolutely no role in the sale of those securities, which are the only securities identified in the amended complaint. This motion has been fully briefed and is now pending before the Court.

(v) Cavagnaro v. Waste Tech

In November 1991 an action was commenced by George Cavagnaro, the estate of Nicholas J. Cavagnaro, Jr. and Pauline Cavagnaro against the Company in the Supreme Court of the State of New York, New York County (Index No. 64128/91). Plaintiffs have alleged that the Company breached a non-competition agreement by the failure to make payments as required therein. Plaintiffs are seeking damages of approximately $230,000, together with interest and costs and disbursements of the action.

The Company has filed an answer to the complaint asserting numerous affirmative defenses, and has asserted counterclaims which it believes are meritorious.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WASTE TECHNOLOGY CORP.

By: _____
Leslie N. Erber,
President (Chief Executive Officer) and Treasurer (Principal Financial and Accounting Officer)

Dated: April 8, 1992